



United States Department of the Interior

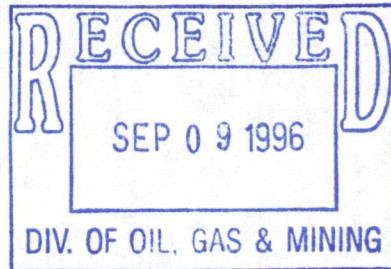
BUREAU OF LAND MANAGEMENT

Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119

IN REPLY REFER TO:

U-73999
3809
(UT-023)

CERTIFIED MAIL P 760 540 230
RETURN RECEIPT REQUESTED



SEP 6 1996

NOTICE OF NONCOMPLIANCE

Mr. William Moeller
American Consolidated Mining Company
70 West Canyon Crest Road, Suite D
Alpine, Utah 84004

Dear Mr. Moeller:

During a routine inspection of the Gold Hill area on September 4, 1996, we discovered that the American Consolidated Mining Company has constructed an unauthorized millsite on Public Lands in T. 7 S., R. 18 W., Section 35. Bureau of Land Management (BLM) records indicate that within this area, American Consolidated owns the GHM-1, GHM-2, and GHM-3 lode mining claims (UMC 359375-359377).

During the inspection, it was revealed that American Consolidated has erected a crushing plant, a large mill building, an office trailer, a small pond (un-lined), a storage yard, a concrete storage bin, a vehicle storage area, and numerous trash dumps on the site. The storage yard contains new and inoperable milling equipment, stockpiles of bagged chemicals, and unmarked and unidentified barrels. In addition, you have constructed a fence around the perimeter of your facility and have placed "No Trespassing" signs along the fence, which give the impression that the lands are privately owned. It is estimated that the area disturbed by your unauthorized milling activities is about 5.3 acres in size.

In addition, your disturbance at this site may constitute a violation of the Archaeological Resources Protection Act, where

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historic structures or other artifacts may have been destroyed by your unauthorized surface disturbing activities.

Please be advised that for mining or milling operations on Public Lands (for other than casual use), operators are required to submit a Notice or Plan of Operations to the Bureau of Land Management (BLM), prior to the onset of operations. A Notice is required at least 15 days prior to the onset of operations where the proposed surface disturbance is less than 5 acres. For operations in excess of 5 acres, a Plan of Operations is required at least 30 days prior to the onset of operations.

Failure of an operator to submit the appropriate Notice or Plan of Operations prior to operations will subject the operator to being served with a Notice of Noncompliance. Your activity on the subject mining claim has resulted in unnecessary and undue degradation of Public Lands for which you are hereby being issued a Notice of Noncompliance.

All operators who have established a Record of Noncompliance are required to submit a Plan of Operations and must post a bond for 100% of BLM's estimated cost of reclamation, including administration costs, for any and all future mining operations.

In order to bring yourself into compliance with Federal regulations, you must do the following:

1. Immediately cease all construction and milling activities on the subject mining claim until the Plan of Operations has been approved by this office.
2. Within 30 days of receipt of this letter, you must submit a Plan of Operations that describes your ongoing and proposed activities in complete detail. This would include a map showing all existing and proposed milling facilities, access roads, pond location(s), ore, tailings, or other waste areas, topsoil stockpile area(s), perimeter fence, and equipment storage yards.

In addition, you must describe your milling process in complete detail, including a flow sheet which shows any proposals to use cyanide or other leachates (if applicable), what you propose to do with your tailings, etc.

Because your milling facility is located within an active drainage, you must provide information detailing how you propose to divert or prevent flooding of your facility. We have enclosed a Plan of Operations format for your use.

3. Provide information regarding your water supply source, water quality, water volume requirements, and any proposals to discharge waste water onto the surface or into any adjacent drainages.
4. Information sufficient to describe the measures that will be taken to prevent unnecessary and undue degradation of Public Lands and measures to reclaim disturbed areas resulting from your unauthorized milling operations.
5. Immediately remove the "No Trespassing" signs from your perimeter fence.
6. Immediately remove the unmarked and unidentified barrels from the area, or mark them with a placard that indicates their contents. These barrels may contain hazardous materials or other unidentified waste, and must be disposed of properly (not on Public Lands).
6. We understand that you are currently constructing an underground mine south of Gold Hill, in the Clifton area. Please submit a map showing the location of your mining activities in that area, so that we can determine if any Public Lands are involved.

If you continue to conduct operations without an approved Plan of Operations, and without taking the actions specified in this letter within the time specified, you may be enjoined by an appropriate court order from continuing such operations and be liable for damages for such unlawful acts.

An appeal from this decision may be taken to the State Director, Utah State Office, Bureau of Land Management in accordance with the provisions in Title 43 of the Code of Federal Regulations (CFR) Subpart 3809.4. If an appeal is taken, the notice of appeal must be filed in this office at 2370 South, 2300 West, Salt Lake City, Utah, 84119 within thirty (30) days from receipt of this decision.

Do not send the notice or appeal to the State Director. The appeal and the case history will be sent to the State Director from this office. The appeal to the State Director must contain: 1) the name and mailing address of the appellant; 2) when applicable, the name of the mining claim(s) and serial number(s) assigned to the mining claim(s) recorded pursuant to Section 3833 of this title which are subject to appeal; and 3) a statement of reasons for appeal and any arguments the appellant wishes to present which would justify reversal or modification of the decision. To avoid summary dismissal of the appeal, there must be strict compliance with the regulations.

During the appeal to the State Director, all decisions from which the appeal is taken shall be effective during the pendency of the appeal.

If no appeal is taken, this decision constitutes final administrative action of this Department, as it affects the mining claim(s). No appeal, protest, or petition for reconsideration will be entertained from this decision after the appeal period has expired.

If you have any questions or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Margaret Wyatt

Area Manager

Enclosure

cc: D. Wayne Hedberg, UDOGM
Utah State Office (UT-921)